

TO: Jack McAuley
FROM: Stuart C. Ross *SCR*
SUBJECT: Merit Challenge

DATE: February 1, 1985

I appreciate you and Emmie keeping me up to date on the progress of the Merit Challenge, and it now looks like things are finally falling into place. Having had the opportunity to review some of the material on plans for the event, let me offer a few observations which may help guide your further thinking:

o As I see it, the primary barrier to a successful start is not in the amount of publicity that can be generated, but ensuring that enough boats, of sufficient quality and experience, will enter. Your primary competition for both sailing publicity and entrants is the Whitbread Around the World Race, scheduled to begin September 28, 1985, or three weeks after your event. However, although a number of boats have signed up for the Whitbread, no American boats have yet entered, and as far as we can tell, none will. Further, with the minimal amount of promotional money Whitbread has to spend in the U.S. market, you can expect to see a minimal amount of publicity on the race as it occurs. Coverage will be limited, if not totally restricted, to the New York Times and the sailing publications. Conversely, the publicity goals and opportunities for the Merit Challenge, as an exclusively American event, are much different.

o Based on a few preliminary inquiries, it appears that fewer than 20 boats, and even possibly less than 10, will be able to mount a serious challenge. This is especially due to the short amount of time (7 months) before the start. Sailors considering entering their boats need a lot of lead time to plan a four-month undertaking, to retool their boats for a rounding of Cape Horn, and to book quality crew members who have experience with this type of sailing. Further, sailing in "the roaring forties" is more of a European pastime, as American yacht racing is done in more benign conditions. American yachts are lighter and more geared for 15-25 knot winds than a full gale and 15-foot seas. Consequently, there are far fewer sailors and boats in the U.S. with the necessary experience. Even the substantial amount of prize money being offered is less than what it would take to mount a serious challenge. Also, this being a new race, it is always harder to get entrants for an inaugural event.

On the other side of the coin, commercial sponsorship of individual boats should help accelerate the fund-raising process. However, potential sponsors also need a fair amount of lead time before committing substantial amounts of promotional dollars to a venture such as this.

-more-

2044147532

Page 2
Jack McAuley
February 1, 1985

From all this, two questions arise: 1) How committed are you to a Labor Day start? RTH's original proposal, before they approached Merit, called for ~~a January 1 start~~, citing most favorable wind and weather conditions for a record-breaking passage.

2) In my opinion, ten is an optimistic number of actual entrants. Before signing the contract, can you get some kind of guarantee from the organizers that they can deliver at least five boats? That might save Merit some embarrassment at having to cancel the contract after publicity has begun to develop. Also, that way publicity can be used to attract additional contestants.

o Returning to the issue of publicity, I agree with your evaluation of the broader interest of this event, beyond a mere yacht racing story. The real story is in the adventure, the history, the romance of the sea and the heritage of the clipper ships that will touch the consciousness of all Americans. However, to realize the full publicity benefits of the Merit Challenge, you will have to beat the drum loud and constantly. Special expertise will be essential to market a sailing story to the mass media and the general (smoking) public. It's not a sports story, it's a feature page story, and if lightning strikes, i.e. the record is broken, it might even be Page One.

To accomplish that goal, a placement-intensive publicity approach is mandated. Every aspect of the race, the boats, the skippers, the Flying Cloud, the Cape -- everything -- will have to be researched and documented, and stories generated and placed, with every local angle played and reported. A Merit Challenge News Bureau will have to generate a constant flow of news of the event. The full benefits will be realized, of course, if the record is actually broken, although great care must be taken to ensure that Merit's name remains out front, not that of the winner and/or his sponsor.

I welcome the opportunity to discuss any of this with you, and I hope you'll keep me posted on any new developments.

cc: B. Quinby
M. Taylor
E. LaBauve

2044147533